



## **Tigard Citywide Sewer Extension Program**

### **Background**

The Citywide Sewer Extension Program is a Council-directed program to systematically extend sewer service throughout the City. The mechanism to extend the sewer lines and provide service is through the formation of reimbursement districts. Reimbursement districts are formed to install public sewers to the lots within the districts and the owners would reimburse the City for a fair share of the cost of the public sewer at the time of connection. The program is intended to provide public sewers to all developed but unserved areas in the City. At the beginning of this program approximately six years ago, there were over 680 residential lots throughout the City, plus about 80 commercial lots in the Tigard Triangle Area, without sewer service. These lots were typically on septic systems 30 years old or more. Failed septic systems create health hazards to the community. It is extremely difficult to react to failed septic systems that occur at random throughout the City. The ideal solution would be to extend sewers to all unsewered residential areas such that City sewer would be available as these systems fail.

On June 12, 2001, Council adopted the current plan to install sewers throughout the City on a schedule set by the City rather than in response to requests for service from owners. The intention was to systematically extend sewer service throughout the City so that as aging septic systems failed, sewers would be available for the owner to connect to without delay and at the least possible expense. To encourage early sewer hookups under the previous program, City Council established the Neighborhood Sewer Reimbursement District Incentive Program on October 13, 1998. This program limited the amount any residential owner was required to pay for a share of the public sewer to \$8,000 up to a maximum of \$15,000 if the connection was completed within one year from when it was first available.

To encourage even more connections, Council modified the Incentive Program in 2001 so that the maximum amount an owner is required to pay for a share of the public line was reduced from \$8,000 to \$6,000 up to a maximum of \$15,000. The time allowed for an owner to take advantage of this reduced cost was increased from one to three years from when the service first became available.

### **The Current Program**

Under the current program, the City forms reimbursement districts to construct the sewer improvements. At the time the property owner connects to the sewer, the owner would reimburse the City for a fair share of the total project cost. The amount an owner reimburses the City to connect to the sewer includes the actual amount the contractor is paid to construct the project plus

13.5% for engineering and administrative costs. For those owners that connect within the first three years after sewer becomes available, the City offers an incentive program that caps the owner's share at \$6,000 for the fair share that falls between \$6,000 and \$15,000. The owner would pay for any costs that exceed \$15,000. This, in effect, is a maximum \$9,000 subsidy from the City. Costs that exceed \$15,000 for any particular lot typically indicate that the lot is large in size and is capable of being subdivided into two or more lots upon development.

In addition to the fair share of the project cost, each owner would be required to pay a connection fee of \$2,835 before connecting to the line and would be responsible for disconnecting the existing septic system according to County rules and for any other plumbing modifications necessary to connect to the public line. Because the costs for plumbing modifications and closure of the existing septic systems vary widely for each lot and structure, each owner would need to consult a plumbing contractor to provide an estimate for what that cost would be.

The costs involved are therefore:

- Fair Share of the Project Cost (Each lot's share of the actual cost of the project plus 13.5% for engineering and administrative costs)
- Connection Fee (currently \$2,835.00)
- Plumbing modifications to connect to the sewer lateral provided (Owner's Responsibility-Costs vary dependent upon situation)
- Closure of the existing septic system (Owner's Responsibility-Costs vary dependent upon situation)

There is no requirement to connect to the sewer or to pay any fees until the owner chooses to connect to the sewer. Property owners that connect to the sewer fifteen (15) years or more after the district is formed do not have to pay the reimbursement fee. The connection charges at the time of connection would apply.

For those that do not choose to connect during the first three years after the sewer is made available, the reimbursement fee would be the full share of the project cost plus an annual increase as established by the City's Finance Director. The current rate (simple interest) is 6.05%.

The program is expected to conclude in 2008. Once the program is concluded, the remaining lots would be served based on interest shown by the residents and would be dependent upon availability of funding at that time.

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